

1 BRETT A. AXELROD, ESQ.
2 Nevada Bar No. 5859
3 **FOX ROTHSCHILD LLP**
4 1980 Festival Plaza Drive, Suite 700
5 Las Vegas, Nevada 89135
6 Telephone: (702) 262-6899
7 Facsimile: (702) 597-5503
8 Email: baxelrod@foxrothschild.com
9 [Proposed] Counsel for Debtor

Electronically Filed June 17, 2020

7 **UNITED STATES BANKRUPTCY COURT**

8 **DISTRICT OF NEVADA**

9 In re
10 PETERSEN-DEAN, INC.,
11
12 Debtor.

Case No. BK-S-20-12821-mkn

Chapter 11

**DECLARATION OF JEFFREY PEREA
IN SUPPORT OF EMERGENCY FIRST
DAY MOTION FOR ORDER
(I) AUTHORIZING DEBTOR TO PAY
PREPETITION VENDOR LIABILITIES
AND (II) AUTHORIZING AND
DIRECTING FINANCIAL
INSTITUTIONS TO RECEIVE,
PROCESS, HONOR AND PAY ALL
CHECKS ISSUED RELATING TO
VENDOR LIABILITIES**

Hearing Date: OST PENDING

Hearing Time: OST PENDING

21 I, Jeffrey Perea, being duly sworn, hereby depose and declare under penalty of perjury:

22 1. I am over the age of 18, am mentally competent, and if called upon to testify as to the
23 statements made herein, could and would do so.

24 2. I am the Chief Restructuring Officer of Petersen-Dean, Inc. (“PDI” or “Debtor”).
25 PDI, Beachhead Roofing & Supply, Inc., California Equipment Leasing Association, Inc., Fences 4
26 America, Inc., James Petersen Industries, Inc., PD Solar, Inc., Petersen Roofing and Solar LLC,
27 PetersenDean Hawaii LLC, PetersenDean Roofing and Solar Systems, Inc., PetersenDean Texas,
28 Inc., Red Rose, Inc., Roofs 4 America, Inc., Solar 4 America, Inc., Sonoma Roofing Services, Inc.,

1 TD Venture Fund, LLC, and Tri-Valley Supply, Inc., are the debtors and debtors in possession
 2 (collectively, the “Companies”), in the above captioned chapter 11 cases (the “Chapter 11 Cases”).

3 3. I am authorized to make this declaration in support of the *Emergency First Day*
 4 *Motion For Order (I) Authorizing Debtor To Pay Prepetition Vendor Liabilities And (II) Authorizing*
 5 *And Directing Financial Institutions To Receive, Process, Honor And Pay All Checks Issued Relating*
 6 *To Vendor Liabilities* (the “Motion”)¹ filed by Debtor.

7 4. It is crucial for the continued operations and preservation of the going-concern value
 8 of Debtor’s estate that certain pre-petition obligations owed to Debtor’s trade creditors,
 9 subcontractors and vendors for goods and services provided in connection with its roofing and solar
 10 projects, as well as certain pre-petition obligations owed to government authorities in connection
 11 with permits and licenses (collectively, the “Vendor Liabilities”) be paid. Accordingly, Debtor seeks
 12 the entry of an order: (I) authorizing Debtor to pay its prepetition Vendor Liabilities; and (II)
 13 authorizing and directing Debtor’s financial institutions to honor all outstanding prepetition checks
 14 issued by Debtor for the Vendor Liabilities.

15 5. Debtor is in the business of installing commercial and residential roofing and solar
 16 panel systems. In that capacity, Debtor is responsible for purchasing the solar panels, inverters and
 17 other equipment, and paying for the design, engineering, and installation labor for the solar projects.
 18 Due to the nature of Debtor’s business, the primary source of value is the collection of various
 19 receivables, which in turn depends on completing solar panel projects.

20 6. Debtor’s business depends upon a network of trade creditors, subcontractors and
 21 vendors. In the ordinary course of business, Debtor procures equipment and supplies for the
 22 construction of roofing and solar projects. Debtor also enters into subcontracting service agreements
 23 with various parties for their provision of particular work related to the projects. Debtor makes
 24 payments to these trade creditors, subcontractors and vendors in exchange for their goods or services.
 25 In addition, in order to maintain its business operations, Debtor must abide by various regulations
 26

27

¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Motion.
 28

1 relating to its roofing and solar projects and acquire certain permits and licenses. Debtor must pay
 2 fees to certain government authorities² in connection with these licenses and permits.

3 7. As of the Petition Date, sixteen (16) checks that Debtor issued prepetition to its
 4 Vendors for the payment of prepetition Vendor Liabilities remain outstanding. The total amount of
 5 the outstanding checks for Vendor Liabilities equals \$52,728.87. A list of the prepetition checks for
 6 Vendor Liabilities including check numbers, Vendor names and check amounts, is attached hereto
 7 as Exhibit 1.

8 8. Payment of the Vendor Liabilities is crucial to Debtor's continued operations and
 9 preservation of the going-concern value of the estate. The importance of Debtor's business
 10 relationships with its Vendors cannot be underestimated. If the outstanding checks for Vendor
 11 Liabilities are not honored, Debtor believes that its crucial Vendors will refuse to continue working
 12 with Debtor. Debtor also believes that, without payment, these critical Vendors will assert
 13 mechanics' and other such liens on Debtor's projects and destroy the value of said projects, resulting
 14 in deleterious effects on Debtor's revenues and business operations.

15 9. Failure to honor the Vendor Liabilities will severely and irreparably harm the Debtor's
 16 business relations, as well as its reputation. Such obligations comprise a small portion of Debtor's
 17 total prepetition debts, yet honoring such obligations will contribute significantly to Debtor's
 18 revenue-generating capability and fostering goodwill.

19 10. If Debtor is prohibited from honoring prepetition Vendor Liabilities, consistent with
 20 its past business practices, it will likely be unable to complete its projects. Realizing the value of
 21 Debtor's receivables depends on completion of the projects. Accordingly, authorizing Debtor to
 22 honor the Vendor Liabilities in existence as of the Petition Date is crucial to the preservation,
 23 protection, and maximization of Debtor's estate.

24

25

26

27

28 2 The trade creditors, subcontractors, vendors and government authorities are collectively referred to
 herein as the "Vendors".

1 I declare, under penalty of perjury of the laws of the United States of America, that the
2 foregoing statements are true and correct to the best of my knowledge, information, and belief.

3 Executed this 17th day of June 2020.

4

5 */s/Jeffery Perea*

6 Jeffery Perea

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

FOX ROTHSCHILD LLP
1980 Festival Plaza Drive, Suite 700
Las Vegas, Nevada 89135
(702) 262-6899
(702) 597-5503 (fax)

Exhibit 1

**PETERSEN-DEAN, INC.'S
PREPETITION CHECKS FOR VENDOR LIABILITIES**

CHECK NO.	CHECK DATE	PAYEE	CHECK AMOUNT
143762	1/6/2020	Orange County Assessor's Office	\$3.00
144141	3/4/2020	DMV Renewal	\$331.00
144201	3/12/2020	Andys Roofing LLC	\$360.00
144447	5/6/2020	Diversified Products USA	\$13,826.22
144514	5/14/2020	Chiquita Canyon, LLC	\$441.27
144556	5/15/2020	DMV Renewal	\$1,141.00
144625	5/22/2020	Ceja Trucking	\$3,524.00
144628	5/22/2020	RL and Sons Transportation	\$4,040.00
144629	5/22/2020	Sergio Express Inc.	\$4,600.00
144634	5/22/2020	BC Wire Rope & Rigging, Inc.	\$4,153.77
144640	5/22/2020	Mauricio Marin	\$1,300.00
144644	5/22/2020	Rush Truck Leasing	\$153.84
144660	5/26/2020	New Cal Metals	\$4,331.51
144675	6/3/2020	Coast Counties Peterbilt Paclease	\$13,160.26
144676	6/4/2020	Arch Roofing	\$850.92
144686	6/5/2020	Reddy Ice Corporation	\$512.08
		TOTAL	\$52,728.87